

295 - RETIREE MEDICAL INTERNAL SERVICE FUND

Operational Summary

Description:

The Retiree Medical Internal Service fund (ISF) provides for retiree health insurance under the retiree medical insurance program.

Strategic Goals:

- Fund 295 is one of the five Internal Service Funds under Employee Benefits. Employee Benefits operates under the Strategic Priorities and Business Plan for Human Resources and administers employee benefit programs as supported by the Board of Supervisors.

RETIREE MEDICAL ISF - The Retiree Medical Internal Service Fund (ISF) provides for benefits under the Retiree Medical Insurance Program. Benefits include a monthly retiree medical grant to be applied to the health premiums of eligible retirees, and a lump sum cash benefit to separated employees not eligible to retire.

Ten Year Staffing Trend Highlights:

- This Internal Service Fund has no positions.

Budget Summary

Plan for Support of the County's Strategic Priorities:

The Employee Benefits Division supports the Board of Supervisors adopted priorities as they relate to the implementation and administration of employee benefits.

At a Glance:

Total FY 2003-2004 Projected Expend + Encumb:	17,180,299
Total Recommended FY 2004-2005 Budget:	56,553,215
Percent of County General Fund:	N/A
Total Employees:	0.00

Changes Included in the Recommended Base Budget:

The Retiree Medical Insurance Program Grant funding is higher compared to FY 03-04 based on increases in the number of retirees, and increases in the monthly Retiree Medical Grant due to the increase in health plan premiums. This increase is offset by funding from the Retiree Medical Benefit Reserve (RMBR) account per the agreement between the County of Orange and the Orange County Employees Retirement System and the Retiree Medical Insurance Program 1% contribution from employees.

The Retiree Medical Lump Sum Cash Benefit expenses are higher compared to FY 03-04. This was actuarially expected as years pass and salaries for terminating employees now are much higher than they were in 1993 when the program was implemented and employee 1% contributions began.

Proposed Budget and History:

Sources and Uses	FY 2002-2003 Actual	FY 2003-2004 Budget As of 3/31/04	FY 2003-2004 Projected ⁽¹⁾ At 6/30/04	FY 2004-2005 Recommended	Change from FY 2003-2004 Projected	
					Amount	Percent
Total Revenues	47,443,587	52,311,905	53,367,723	56,553,215	3,185,492	5.97
Total Requirements	13,562,769	50,976,748	17,180,299	56,553,215	39,372,916	229.17
Balance	33,880,818	1,335,157	36,187,424	0	(36,187,424)	-100.00

(1) Requirements include prior year encumbrances and expenditures. Therefore, the above totals may not match FY 2003-2004 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: Retiree Medical Internal Service Fund in the Appendix on page 617.

Highlights of Key Trends:

- The Retiree Medical Insurance Program Grant funding is higher compared to FY 03-04 based on increases in the number of retirees, and increases in the monthly Retiree Medical Grant due to the increase in health plan premiums. This increase is offset by funding from the Retiree Medical Benefit Reserve (RMBR) account per the agreement between the County of Orange and the Orange County Employees Retirement System and the Retiree Medical Insurance Program 1% contribution from employees.
- The Retiree Medical Lump Sum Cash Benefit expenses are higher compared to FY 03-04. This was actuarially expected as years pass and salaries for terminating employees now are much higher than they were in 1993 when the program was implemented and employee 1% contributions began.

295 - RETIREE MEDICAL ISF

Operation of Internal Service Fund 295 Operational Statement for the Fiscal Year 2004 - 2005

Operating Detail (1)		2002-2003 Actual (2)	2003-2004 Estimate (3)	2004 - 2005 Proposed Budget (4)	2004 - 2005 Final Budget (5)
Operating Income					
7670	Miscellaneous Revenue	0	20,091	0	0
7710	Insurance Premiums	17,553,724	19,053,586	19,855,674	19,855,674
Total Operating Income		17,553,724	19,073,677	19,855,674	19,855,674
Operating Expense					
Salaries & Benefits					
0401	Medicare	0	994	0	0
Total Salaries & Benefits		0	994	0	0
Services & Supplies					
1800	Office Expense	772	32,000	32,000	32,000
1900	Professional And Specialized Services	181,896	275,470	290,020	290,020
1911	CWCAP Charges	56,066	68,042	71,130	71,130
Total Services & Supplies		238,734	375,512	393,150	393,150
Other Charges					
3510	Other Charges - Operating	13,285,049	16,759,208	56,115,480	56,115,480
Total Other Charges		13,285,049	16,759,208	56,115,480	56,115,480
Total Operating Expenses		13,523,783	17,135,714	56,508,630	56,508,630
Total Operating Income (Loss)		4,029,941	1,937,963	(36,652,956)	(36,652,956)
Non-Operating Revenue					
6610	Interest	556,258	413,228	510,117	510,117
Total Non-Operating Revenue		556,258	413,228	510,117	510,117
Non-Operating Expenses					
1912	Investment Administrative Fees	38,986	44,585	44,585	44,585
Total Non-Operating Expenses		38,986	44,585	44,585	44,585
Net Non-Operating Income (Loss)		517,272	368,643	465,532	465,532
Income (Loss) Before Contributions & Transfers *		4,547,213	2,306,606	(36,187,424)	(36,187,424)
Statement Of Changes In Net Assets - Unrestricted					
Income (Loss) Before Contributions & Transfers		4,547,213	2,306,606	(36,187,424)	(36,187,424)
Increase (Decrease) In Net Assets - Unrestricted		4,547,213	2,306,606	(36,187,424)	(36,187,424)
Net Assets - Unrestricted - Beginning Of Year		29,333,605	33,880,818	36,187,424	36,187,424
Net Assets - Unrestricted - End Of Year		33,880,818	36,187,424	0	0
* Note - Loss Before Contributions & Transfers Is Offset By Net Assets - Unrestricted Carried Forward From Previous Fiscal Year.					